

MINUTES

North Dakota Public Employees Retirement System

ND Association of Counties, Bismarck

BCBS, 4510 13th Ave SW, Fargo

Thursday, January 22, 2009

8:30 A.M.

Members Present: Ms. Joan Ehrhardt
Mr. Levi Erdmann
Mr. Ron Leingang
Mr. Mike Sandal
Ms. Arvy Smith
Mr. Thomas Trenbeath

Via Conference Call: Chairman Jon Strinden

Others Present: Ms. Kathy Allen, NDPERS
Ms. Cheryl Stockert, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Deb Knudsen, NDPERS
Mr. Aaron Webb, Attorney Generals Office
Ms. Onalee Sellheim, BCBSND
Ms. Jodi Crouse, BCBSND

Via Conference Call: Mr. Kevin Schoenborn, BCBSND

Chairman Strinden called the meeting to order at 8:35 a.m.

MINUTES

Chairman Strinden called for any questions or comments regarding the minutes of the December 16, 2008 Board meeting.

MS. SMITH MOVED APPROVAL OF THE DECEMBER 16, 2008 NDPERS BOARD MINUTES. THE MOTION WAS SECONDED BY MR. SANDAL. THE MINUTES WERE APPROVED.

Chairman Strinden called for any questions or comments regarding the minutes of the December 30, 2008 Board meeting.

MR. LEINGANG MOVED APPROVAL OF THE DECEMBER 30, 2008 NDPERS BOARD MINUTES. THE MOTION WAS SECONDED BY MS. SMITH. THE MINUTES WERE APPROVED.

RETIREMENT

Public Fund Survey Summary 2007

The Public Fund Survey Summary of Findings for FY 2007 as prepared by the National Association of State Retirement Administrators was shared with the Board.

Pension Protection Act

The Pension Protection Act technical amendments as signed into law December 10, 2008 information was shared with the Board.

Public Pension Coordinating Council Award

Mr. Knudsen reported that NDPERS received the Recognition Award for Administration for 2008 from the Public Pension Coordinating Council. The Public Pension Standards are intended to reflect minimum expectations for public retirement system management and administration.

IRS Letter of Determination Update

Ms. Knudsen reported to the Board that Segal Company has been working with staff and Segal has prepared everything necessary for the IRS filing and Voluntary Compliance Program (VCP) submission for both the hybrid plan and Highway Patrol plan. Cycle C submissions must be submitted to the IRS by Monday, February 2, 2009.

GROUP INSURANCE

BCBS Annual Report

Ms. Jodi Crouse and Mr. Kevin Schoenborn, BCBSND, reviewed with the Board the NDPERS Annual Health Care Utilization Study. Highlights were presented on the following topics: incurred claims; annual PMPM costs of total PERS, total actives, EPO actives and PPO actives; membership comparisons of EPO actives and PPO actives; retiree membership and payments per member per month, and PMPM costs for COBRA, and political subdivisions; discount comparisons; plan demographics; high dollar claims (actives and retirees); prescription drug utilization (actives and retirees); member education efforts; wellness programs update; smoking cessation update; health dialog update; and the pharmacy disease management program. Board discussion and questions followed.

Heart of America Health Plan

Ms. Allen reported that Heart of America Health Plan in Rugby has requested to offer its health plan to PERS membership in the Rugby service area for the renewal term of July 1, 2009 through June 30, 2010. Premiums increased by about 3.8% from the previous year.

MR. SANDAL MOVED TO RENEW HEART OF AMERICA HEALTH PLAN FOR THE PERS MEMBERSHIP IN THE RUGBY SERVICE AREA FOR THE REQUESTED RENEWAL TERM. THE MOTION WAS SECONDED BY MS. EHRHARDT.

Ayes: Ms. Ehrhardt, Mr. Erdmann, Mr. Leingang, Mr. Sandal, Ms. Smith, Mr. Trenbeath, and Chairman Strinden.

Nays: None

MOTION PASSED

ICD9 Inpatient Comparison

The 2006 NDPERS inpatient comparison data was shared with the Board. Our inpatient claims data is compared against the National Hospital Discharge Summary.

Prescription Drug Update

Mr. Reinhardt presented a prescription drug update to the Board. The data used was for the latest year (July 2007 through June 2008). Board discussion and questions followed.

Surplus/Affordability Update

Mr. Reinhardt presented the November projections to the Board. At this time the projected gain for the 2007-09 biennium is \$0.

DEFINED CONTRIBUTION PLAN

2008 Enrollment

Ms. Allen reported that of 82 eligibles, there were a total of six transfers to the DC plan in 2008.

FLEXCOMP PLAN

2009 Enrollment

Ms. Allen shared with the Board the 2009 flexcomp plan year enrollment figures. Participation in medical spending accounts increased by 2.6% and decreased for dependent care accounts by 7.7%.

MISCELLANEOUS

2008 Comprehensive Annual Financial Report

The 2008 comprehensive annual financial report was shared with the Board. This report is available on the NDPERS website at <http://www.nd.gov/ndpers/forms-and-publications/index.html>

Quarterly Consultant Fees

The report of consultant fees paid during the quarter ending December 31, 2008 was presented to the Board for their information.

The State Investment Board agenda and minutes were distributed.

Mr. Sandal reported he has attended many legislative hearings that Mr. Collins and PERS staff has presented to. He complimented staff that the quality and the reception by legislators of those presentations has been excellent, given there are a number of difficult issues. The presentations made by PERS staff and the Executive Director have been second to none.

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 9:28 a.m.

Prepared by,

Cheryl Stockert
Secretary to the Board